

GOED Board Meeting Minutes

December 6, 2012 • 10:00 a.m.

Governor's Office of Economic Development
60 E. South Temple, Third Floor

Members Present:	Mel Lavitt, Lorena Rizzo-Jensen, Peter Mouskondis, Kate Riggs, Mike Dowse, Stefanie Bevans, Cliff White, Jake Boyer, Amy Anderson, Jerry Oldroyd
Staff:	Christopher M. Conabee, Jenni Osman, Sophia DiCaro, Spencer P. Eccles, Tamy Dayley, Zach Derr, Thomas Wadsworth, Ron Andrus, Kelleigh Cole, Tara Thue, Michael Sullivan, Eric Nay, Tami Goetz, Riley Cutler, Gary Harter, Sue Redington, Winston Wilkinson
Visitors:	Marshall Moore, Ricky Flores, Sheila Yorkin, Brad Baird, Todd Brightwell, Ben Hart, Jamie Nagle, Steve Slater, Mitch Lord, Grant Thacker, Craig Trewett, Beth Colosimo, Amber Johnson, Drew Mingle, Reed Jacobs, Brice Wallace, Josh Coates, Brian Whitmore, Steve Kaminsky

Welcome

Mel Lavitt welcomed everyone to the December 6, 2012 Board meeting.

Approval of the November 8, 2012 Minutes

MOTION: Kate Riggs moved to approve the minutes of November 8, 2012 GOED Board Meeting minutes. Peter Mouskondis seconded the motion. Motion was carried unanimously.

EZDZONE – Vexxel Composites, LLC

Establish an Economic Development Zone for the purpose of supporting the expansion of the Vexxel Composites LLC facilities in Brigham City, Utah.

MOTION: Cliff White moved to approve the creation of an Economic Development Zone for Brigham City in support of their letter of request detailing the boundaries of the Vexxel Composites LLC facilities located at 1080 North Main Street, Suite 108 in Brigham City, Utah. Lorena Rizzo-Jensen seconded the motion. Motion was carried unanimously.

EDZONE – Peterbilt of Utah, Inc.

Establish an Economic Development Zone for the purpose of supporting the establishment of the Peterbilt of Utah, Inc. facilities in Salt Lake City, Utah.

MOTION: Kate Riggs moved to approve the creation of an Economic Development Zone for Salt Lake City in support of their letter of request detailing the boundaries of the Peterbilt of Utah, Inc. facilities located at 1910 South 5500 West in Salt Lake City, Utah. Jake Boyer seconded the motion. Motion was carried unanimously.

EDZONE – BioFire Diagnostics, Inc.

Establish an Economic Development Zone for the purpose of supporting the expansion of the BioFire Diagnostics, Inc. facilities in Salt Lake City, Utah.

MOTION: Stefanie Bevans moved to approve the creation of an Economic Development Zone for Salt Lake City in support of their letter of request detailing the boundaries of the BioFire Diagnostics, Inc. facilities located at 390 Wakara Way in Salt Lake City, Utah. Kate Riggs seconded the motion. Motion was carried unanimously.

EDZONE – Rock West Composites, Inc.

Establish an Economic Development Zone for the purpose of supporting the expansion of the Rock West Composites, Inc. facilities in West Jordan, Utah.

MOTION: Mel Lavitt moved to approve the creation of an Economic Development Zone for West Jordan of the entirety of the Jordan Valley Station industrial area, in support of their letter of request detailing the boundaries of the Jordan Valley Station, inclusive of the Rock West Composites, Inc. facilities located at 3392 West 8600 South in West Jordan, Utah. Kate Riggs seconded the motion. Motion was carried unanimously.

EDZONE – FLSmidth Salt Lake City, Inc.

Establish an Economic Development Zone for the purpose of supporting the expansion of the FLSmidth Salt Lake City, Inc. facilities in Midvale, Utah.

MOTION: Jake Boyer moved to approve the creation of an Economic Development Zone for Midvale in support of their letter of request detailing the boundaries of the FLSmidth Salt Lake City, Inc. facilities located at 7158 South FLSmidth Drive in Midvale, Utah. Lorena Riffo-Jensen seconded the motion. Motion was carried unanimously.

EDTIF – Instructure, Inc.

Project Highlights

- Timeline: 2013
- Target Industry: IT, Electronics and Telecom
- Proposed Location: Salt Lake County: Cottonwood Heights
- Capital Investment: \$2,100,000

Jobs and Revenue

- 655 FTE's
- Instructure, Inc. provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 7 years: \$ 238,429,143
- New State Revenue over 7 years: \$ 9,464,847

MOTION: Kate Riggs moved to approve for Instructure, Inc. a \$1,892,969 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 7 years. Lorena Riffo-Jensen seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$1,892,969 EDTIF post-performance refundable tax credit
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 7 years with a contractual recapture provision for any excess funds paid to the company
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage
- Must commit to keep operation in Utah for the length of the incentive period 7 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive

Josh Coates gave a brief background of the company and the background of where they all started which was with Mozy. The Board, staff and public watched a brief clip on Instructure which features how the system works within classrooms and campus' around the country and world which runs in a cloud. Their first customers were schools in Utah. One of the reasons this company has been so successful is due to the fact that social media is incorporated and also how it is used within a cloud allowing the schools to not have to worry about IT issues and costs associated with it.

EDTIF – The Boeing Company

Project Highlights

- Timeline: 2013
- Target Industry: Aerospace

Jobs and Revenue

- 104 FTE's
- The Boeing Company provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 20 years: \$ 146,800,428
- New State Revenue over 20 years: \$ 5,505,016

MOTION: Cliff White moved to approve for The Boeing Company a \$1,376,254 EDTIF post-performance refundable tax credit which represents an amount equal to 25% of new state revenue for 20 years and matching post-performance training funds of \$225,000 for up to 75 new employment positions to be distributed in years 2013 through 2015 by a 50/50 matching contribution from DWS Job Growth Funds and the Industrial Assistance Fund and additional DWS funding of up to \$100,000 from the WorkKeys program to be distributed in years 2013 through 2015. Amy Anderson seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$1,376,254 EDTIF post-performance refundable tax credit
- Total post-performance matching training funds in the amount of a \$225,000 incentive will be granted to The Boeing Company to be distributed for years 2013 through 2015 which represents \$3,000 for each employee up to 75 new employment positions. (FTE) These training funds will be distributed through matching 50/50 contribution from DWS Job Growth Fund and the Industrial Assistance Fund. Employer training fund match of at least 50% per FTE required.
- DWS funding from the WorkKeys program in the amount of up to \$100,000 will be granted to The Boeing Company to be distributed for years 2013 through 2015.
- Annual EDTIF incentive amount based on 25% of qualified new incremental state tax revenues generated and receipted in the previous calendar year
- Total incentive not to exceed 25% of qualified new incremental state tax revenues over 20 years with a contractual recapture provision for any excess funds paid to the company
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Salt Lake County average wage
- Must commit to keep operation in Utah for the length of the incentive period 20 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive

Craig Trewett gave the background of the company; Boeing has been around for 25 years and is looking forward to remaining in the composite world. He discussed the current operations of the vertical fin and the horizontal stabilizer and their vision for the phases of each of these parts in the future.

EDTIF – Orbit Irrigation Products, Inc.

Project Highlights

- Timeline: 2013
- Target Industry: Manufacturing
- Proposed Location: Davis County: North Salt Lake
- Capital Investment: \$36,990,000

Jobs and Revenue

- 60 FTE's
- Orbit Irrigation Products, Inc. provides all full time permanent employees with comprehensive health benefits and retirement benefits
- New State Wages over 20 years: \$ 68,391,417
- New State Revenue over 20 years: \$ 22,251,565

MOTION: Kate Riggs moved to approve for Orbit Irrigation Products, Inc. a \$2,408,896 EDTIF post-performance refundable tax credit which represents an amount equal to 20% of new state revenue for 15 years and matching post-performance training funds of \$90,000 for up to 60 new employment positions to be distributed in years 2012 through 2014. Mike Dowse seconded the motion. Motion was carried unanimously.

- Total EDTIF not to exceed \$2,408,896 EDTIF post-performance refundable tax credit.
- Total post-performance training funds in the amount of a \$90,000 incentive will be granted to Orbit Irrigation Products, Inc. to be distributed in years 2012 through 2014 for 60 employment positions. (FTE) Employer training fund match of at least 50% per FTE required. The \$90,000 incentive will be evenly distributed by both the GOED Industrial Assistance Fund and the DWS re-shoring initiative, (\$45,000 from each entity) to Orbit Irrigation Products, Inc. for training assistance. These funds are based upon post-performance 50/50 matching funds from the company.
- Annual EDTIF incentive amount based on 20% of qualified new incremental state tax revenues generated and receipted in the previous calendar year

- Total incentive not to exceed 20% of qualified new incremental state tax revenues over 15 years with a contractual recapture provision for any excess funds paid to the company
- Must meet new qualified employment projections, employee headcount at the stated wage % criteria at 50% for each project year
- Annual total project average salary of new employees (not each new position, this is an aggregate annual number) to be at least 125% of the Davis County average wage
- Must commit to keep operation in Utah for the length of the incentive period 15 years
- Incentives are site specific and subject to local incentive participation
- Local incentive proposal must be presented and approved by the GOED Incentives Committee in order for the company to be eligible for the incentive

Mitch Lord spoke briefly on the company and the background of the success they have found in this company. He discussed how they differentiate from other companies with their PVC locks and how the technology has eliminated the glue while using the products.

WorkKeys Program Presentation

Sophia DiCaro introduced the WorkKeys program that is administered through DWS (Department of Workforce Services), Amber Johnson gave the presentation to the GOED Board. The program has been around in the State for the past 10 years but they have only been focusing on it for the past 2 years. This program is geared towards allowing an employer to hire a productive and reliable new hire. The program offers a credential to the potential employee so that the employer has more confidence allowing them to confidently hire someone with the qualities they are looking for. There are three foundational skills that most employers are looking for and this program allows them to ensure that they have them. Problem solving is one of the main things with three areas that are looked at 1) applied math abilities 2) reading for information 3) locating information.

Film Update

The Utah Film Industry luncheon is the following week on December 13th at noon and you can RSVP if you would like to attend. Marshall Moore gave a brief update on where some of the past films are, if they are completed and also when they were released or when they will be in either the theater or on television/cable.

MPIF – “Beauty in the Beast”

Project Highlights

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| • Category: | Feature Film (Independent) |
| • Genre: | Romantic Comedy |
| • Director: | Brian A. Brough |
| • Producers: | Brian A. Brough, Brittany B. Wiscombe, Anthony Straga |

Utah Jobs and Revenue

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|------------------------------------|------------|
| • Estimated Cast: | 13 |
| • Estimated Cast Average Salary: | \$250/day |
| • Estimated Crew: | 13 |
| • Estimated Crew Average Salary: | \$314/day |
| • Estimated Extras: | 50 |
| • Estimated Extras Average Salary: | \$35/day |
| • Length of Film Production: | 12 days |
| • Estimated Spend: | \$219, 800 |

Project Schedule

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|--------------------------|---------------------------------------|
| • Prep: | November 15, 2012 – December 3, 2012 |
| • Principal Photography: | December 4, 2012 – December 17, 2012 |
| • Wrap: | December 18, 2012 – February 28, 2013 |

Motion Picture Advisory Committee Recommendation

Approved by the Utah Film Commission November 29, 2012.

MOTION: Peter Mouskondis moved to approve for Silver Peak Productions, LLC a \$33,000 MPIP post-performance cash rebate which represents 15% of dollars left in state for the production of ‘Beauty In The Beast’. Jake Boyer seconded the motion. Motion was carried unanimously.

- Incentive offer based on receipt of a complete MPIP application including a script and proof of financing.
- Must meet \$200,000 minimum dollars left in state to be eligible for the incentive.
- At least 85% of the productions cast/crew must be Utah Residents and/or Utah Students.

GOED Update

Spencer P. Eccles, Executive Director of the Governor's Office of Economic Development, thanked the Board for another great year of service, the Chairman for all of the additional time, our newest Board members, also Amy Anderson for having to read all of the films that come to the Board to ensure they are ok to bring to the Board, also the team for the amount of effort and passion that they put into their jobs and also to our partners at EDCU. He spoke briefly about the Economic Development Task Force meeting he attended today was about manufacturing and how the types of jobs has changed over the years and the types of jobs that are needed. Two examples of this are with Orbit Irrigation and also Boeing that was incented today. The Governor is currently in Washington D.C. speaking with President Obama to discuss his vision for the State of Utah and how we are continuing with our successes.

Mr. Eccles highlighted how hard Christopher M. Conabee worked on the Boeing deal; it has been in the works for the past year and a half.

He briefly discussed the possibility of Utah hosting the Olympics again in 2026 and the exploratory committee that was formed for this.

Michael Sullivan announced that Forbes named the top ten "Most Awesome Ski Resorts" in the United States and 7 of them are in Utah.

Incentives Update

Christopher M. Conabee, Managing Director of Corporate Recruitment and Business Services, gave an update on the Incentives Program regarding new and existing projects.

Christopher gave multiple examples of why our State has been successful in recruiting businesses and the bottom line is that it all falls back on trust within the team at GOED and with all of our partners.

EDCU Update

Todd Brightwell, Vice President of Business Development at EDCUtah, presented on the status of current and upcoming projects in the pipeline.

Meeting adjourned.